

## REPORTS ANALYSIS REFERRAL

DATE: October 26, 2004

ANALYST: Alan Shook

I. COMMITTEE: Broyhill for Congress  
C00388736  
Laney Glenn Orr, Jr., Treasurer  
Post Office Box 5656  
Winston-Salem, NC 27113

II. RELEVANT STATUTE: 2 U.S.C. §441a-1(b)  
11 CFR §400.9 (b)  
11 CFR §400.21 (b)

III. BACKGROUND:

Failure to file or timely file 24-Hour Notices of Expenditures from Candidate's Personal Funds (FEC FORM 10)

Broyhill for Congress ("the Committee") failed to file or timely file six, FEC FORM 10's, after exceeding the \$350,000 reporting threshold for expenditures from the candidate's personal funds for the 2004 Primary Election. See enclosed spreadsheet and specific expenditures in bold for further detail (Attachment 2).

On October 10, 2003, the Committee filed the 2003 October Quarterly Report (microfilm #23992022450). This report disclosed three contributions received from Ed Broyhill ("the Candidate") totaling \$201,500. The Committee received a \$1,000 contribution on July 21, 2003, a \$500 contribution on July 31, 2003, and a \$200,000 contribution on September 30, 2003. All three contributions were designated to the 2004 Primary Election and were reported on Schedule A, supporting Line 11(a)(i) for itemized contributions from individuals.

On October 21, 2003, the Committee filed an Amended 2003 October Quarterly Report (microfilm #23992207614), which omitted the \$200,000 candidate contribution originally reported, but disclosed a \$200,000 loan from the Candidate's personal funds received on September 30, 2003 and designated to the 2004 Primary Election.

On December 2, 2003, the Committee filed two Amendments to the 2003 October Quarterly Report (microfilm #23992385084 and #23992393986). On the first Amended Report, the information regarding the Candidate's contributions and loan remained the same. On the second Amended Report, the two contributions totaling \$1,500 which had previously been disclosed on Schedule A supporting Line 11(a)(i) now appeared on Schedule A supporting Line 11(d) for contributions from the candidate.

On January 30, 2004, the Committee filed the 2003 Year End Report (microfilm

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#24990296856). This report disclosed the receipt of \$125,000 loan from the Candidate's personal funds on December 26, 2003, designated to the 2004 Primary Election. This loan brought the total expenditures from the Candidate's personal funds for the 2004 Primary Election to \$326,500.

On March 12, 2004, the Committee filed a FEC FORM 10 (microfilm #24038340383). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on March 2, 2004 for the 2004 Primary Election, and a total of \$375,000 for the election cycle. Thus, the FEC FORM 10 was filed ten days late<sup>2</sup>.

On March 20, 2004, the Committee filed a FEC FORM 10 (microfilm #24038342675). The FEC FORM 10 disclosed \$100,000 in expenditures from the Candidate's personal funds on March 19, 2004 for the 2004 Primary Election and a total of \$500,000 for the election cycle.

On March 25, 2004, the Committee filed a FEC FORM 10 (microfilm #24038343813). The FEC FORM 10 disclosed \$25,000 in expenditures from the Candidate's personal funds on March 12, 2004 for the 2004 Primary Election and a total of \$400,000 for the election cycle. Thus, the FEC FORM 10 was filed twelve days late.

On April 1, 2004, the Committee filed a FEC FORM 10 (microfilm #24038350489). The FEC FORM 10 disclosed \$150,000 in expenditures from the Candidate's personal funds on March 31, 2004 for the 2004 Primary Election and a total of \$650,000 for the election cycle.

On April 15, 2004, the Committee filed a 2004 April Quarterly Report (microfilm #24991065039), which disclosed the receipt of four loans from the Candidate's personal funds totaling \$325,000: a loan of \$50,000 on March 1, 2004, a loan of \$25,000 on March 12, 2004, a loan of \$100,000 on March 19, 2004, and a loan of \$150,000 on March 31, 2004. All four loans were designated to the 2004 Primary Election. The loan received by the Committee on March 1, 2004 brought the total expenditures from the Candidate's personal funds for the 2004 Primary Election to \$376,500, thereby exceeding the reporting threshold of \$350,000 for principal campaign committees of candidates for the House of Representatives. As of March 31, 2004, the total expenditures from the Candidate's personal funds for the 2004 Primary Election were \$651,500.

On May 18, 2004, a Request for Additional Information (RFAI) referencing the 24-hour Notices of Expenditures from Candidate's Personal Funds, dated March 12, 2004, March 13, 2004 and April 1, 2004, was sent by RAD to the Committee (microfilm #24038413445). The RFAI noted that the Committee appeared to have filed the FEC FORM 10's, received on March 12, 2004 and March 25, 2004, more than twenty-four (24) hours after the disclosed expenditure from the Candidate's personal funds. The FEC FORM 10 dated April 1, 2004 was timely filed and was referenced in the RFAI due to the omission of the treasurer's signature.

<sup>2</sup> The 2004 April Quarterly Report filed on April 15, 2004 disclosed the receipt date of the \$50,000 loan as March 1, 2004. This receipt date, rather than the receipt date reported on the FEC FORM 10, was used in computing the number of days late.

On May 2004, the Committee filed a FORM 10 (microfilm #24038414821). The FEC FORM 10 disclosed \$40,000 in expenditures from the Candidate's personal funds on May 21, 2004 for the 2004 Primary Election and a total of \$40,000 for the election cycle.

On May 29, 2004, the Committee filed a FEC FORM 10 (microfilm #24038422207). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on May 28, 2004 for the 2004 Primary Election and a total of \$890,000 for the election cycle.

On May 31, 2004, the Committee filed an Amended FEC FORM 10 (microfilm #24038422214), which amended the FEC FORM 10 originally received on March 12, 2004 to include the Treasurer's signature. On the same day, the Committee filed another Amended FEC FORM 10 (microfilm #24038422216), which amended the FEC FORM 10 originally received on March 25, 2004 to include the Treasurer's signature. All expenditures remained the same.

Also on May 31, 2004, the Committee filed additional FEC FORM 10 (microfilm #24038422212). The FEC FORM 10 disclosed \$150,000 in expenditures from the Candidate's personal funds on April 30, 2004 for the 2004 Primary Election and a total of \$800,000 for the election cycle. Thus, the FEC FORM 10 was filed thirty days late.

On June 5, 2004, the Committee filed a FEC FORM 10 (microfilm #24038423241). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on June 4, 2004 for the 2004 Primary Election and a total of \$940,000 for the election cycle.

On June 14, 2004, the Committee filed a FEC FORM 10 (microfilm #24038424975). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on June 8, 2004 for the 2004 Primary Election and a total of \$990,000 for the election cycle. Thus, the form was filed five days late.

On June 17, 2004, the Committee filed a FEC FORM 10 (microfilm #24038430744). The FEC FORM 10 disclosed \$60,000 in expenditures from the Candidate's personal funds on June 15, 2004 for the 2004 Primary Election and a total of \$1,050,000 for the election cycle.

On June 24, 2004, the Committee filed a FEC FORM 10 (microfilm #24038432791). The FEC FORM 10 disclosed \$50,000 in expenditures from the Candidate's personal funds on June 21, 2004 for the 2004 Primary Election and a total of \$1,100,000 for the election cycle. As such, the FEC FORM 10 was filed four days late<sup>3</sup>.

On June 30, 2004, a RAD Analyst telephoned Christy Wilson, the Committee's Finance Director, requesting an explanation for the Committee's late filing of the FEC FORM 10 dated March 13, 2004 and April 1, 2004. Ms. Wilson told the Analyst "that

<sup>3</sup> The 2004 July Quarterly Report filed on July 8, 2004 disclosed the receipt date of the \$50,000 loan as June 19, 2004. This receipt date, rather than the receipt date reported on the FEC FORM 10, was used in computing the number of days late.

their attorney had [REDACTED] them that the filing threshold was \$[REDACTED],000". She further stated that when they became aware of their error, the Committee had telephoned RAD, who had advised them to file the forms immediately, and warned them that they would receive a letter concerning the issue (Attachment 3).

On July 8, 2004, the Committee filed the 2004 July Quarterly Report (microfilm #24961736591). This report disclosed the receipt of eight loans from the Candidate's personal funds. The Committee received a \$150,000 loan on April 30, 2004, a \$40,000 loan on May 21, 2004, a \$50,000 loan on May 28, 2004, a \$50,000 loan on June 4, 2004, a \$50,000 loan on June 8, 2004, a \$60,000 loan on June 15, 2004, a \$50,000 loan on June 19, 2004 and a \$90,000 loan on June 28, 2004. All loans were designated to the 2004 Primary Election and brought the total expenditures from the Candidate's personal funds for the 2004 Primary Election to \$1,191,500. A FEC FORM 10 was filed for each of these loans, except for the \$90,000 loan, received on June 28, 2004.

On July 20, 2004, a RFAI referencing the 24-Hour Notices of Expenditures from Candidate's Personal Funds, dated April 30, 2004, June 9, 2004, and July 22, 2004 was sent by RAD to the Committee (microfilm #24038472329). The RFAI noted that the Committee appeared to have filed the FEC FORM 10's received May 31, 2004, June 14, 2004 and June 24, 2004, more than 24 hours after the disclosed expenditure from the Candidate's personal funds.

Also on July 20, 2004, a RFAI referencing the 2004 July Quarterly Report was sent by RAD to the Committee (microfilm #24038472332). The RFAI noted that the Committee appeared not to have filed a FEC FORM 10 to report the receipt of the \$90,000 loan from the Candidate's personal funds disclosed on the July Quarterly Report.

On September 9, 2004, a RAD Analyst telephoned Kim Hutchins, the Candidate's Campaign Manager, requesting an explanation for the Committee's failure to file a FEC FORM 10 (for the \$90,000 candidate loan reported on the July Quarterly Report) and for failure to timely file the FEC FORM 10's dated April 30, 2004; June 9, 2004 and June 22, 2004. The analyst explained that the matter would be referred to the Office of General Counsel, but that any explanation that the committee could provide would be taken into consideration. Mr. Hutchins stated that he would look into the matter (Attachment 4).

To date, no further communications have been received from the Committee regarding this matter.

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BROYHILL, J EDGAR III

ID #H4NC05195

BROYHILL FOR CONGRESS  
LANEY GLENN ORR JR  
FILING FREQUENCY: QUARTERLY

Post Office Box 5656

HOUSE  
Winston-Salem NC 27113

ID #C00388736

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
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1		N		7/22/2003	5	23038150696						
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MS		X		3/12/2004	3	24038340383						
MS		X		3/20/2004	2	24038342675						
MS		X		3/25/2004	3	24038343813						
MS		X		4/01/2004	4	24038350489						
MS		X		5/22/2004	3	24038414821						
MS		X		5/29/2004	2	24038422207						
MS		X		5/31/2004	2	24038422214						
MS		X		5/31/2004	2	24038422216						
MS		X		5/31/2004	2	24038422209						
MS		X		5/31/2004	1	24038422211						
MS		X		5/31/2004	2	24038422212						
MS		X		6/05/2004	3	24038423241						
MS		X		6/14/2004	3	24038424975						
MS		X		6/17/2004	3	24038430744						
MS		X		6/24/2004	3	24038432791						
MS		T		7/02/2004	2	24038434081						
MS		X		7/07/2004	3	24038440720						
MS		T		7/08/2004	2	24038440723						
MS		T		7/09/2004	2	24038441080						
MS		T		7/10/2004	2	24038441888						
MS		X		7/13/2004	3	24038444948						
MS		T		7/13/2004	2	24038444951						
MS		4		7/14/2004	2	24038445018						
MS		X		7/15/2004	3	24038454126						
MS		T		7/16/2004	2	24038461076						

RQ		2		5/18/2004	2	24038413443	5/18/2004					
RQ		2		5/18/2004	3	24038413445	5/18/2004					
RQ		4		7/20/2004	3	24038472329	7/20/2004					
RQ	Q2	2		7/20/2004	3	24038472332	4/01/2004 6/30/2004					

3	Q3	N	P	10/10/2003	106	23992022450	7/01/2003 9/30/2003	0	432219	66615	365603	0
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BROYHILL, J EDGAR III

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BROYHILL FOR CONGRESS

LANEY GLENN ORR JR

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HOUSE

NC 27113

ID #C00388736

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	Q3	A	P	10/21/2003	107	23992207614	7/01/2003 9/30/2003	0	431969	66615	365353	200000
3	Q3	A	P	12/02/2003	108	23992385084	7/01/2003 9/30/2003	0	432219	66615	365603	200000
3	Q3	A	P	12/02/2003	108	23992393986	7/01/2003 9/30/2003	0	432219	66615	365603	200000
3	YE	N	P	1/30/2004	99	24990296856	10/01/2003 12/31/2003	365603	202742	375982	192363	325000
3	YE	A	P	4/15/2004	99	24991065490	10/01/2003 12/31/2003	365603	202742	375997	192348	325000
3	YE	A	P	5/11/2004	99	24971219044	10/01/2003 12/31/2003	365603	202742	377147	191199	325000
3	Q1	N	P	4/15/2004	112	24991065039	1/01/2004 3/31/2004	202727	416999	376085	243641	650000
3	Q1	A	P	5/03/2004	112	24991211057	1/01/2004 3/31/2004	192348	416999	376085	233262	650000
3	Q1	A	P	5/11/2004	113	24961262448	1/01/2004 3/31/2004	191199	417099	376085	232212	650000
3	Q2	N	P	7/08/2004	103	24961736591	4/01/2004 6/30/2004	232212	624310	644640	211882	1190000
TOTAL									1676370	1464487		

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RECEIPT DATE LISTED ON REPORT	REPORT DISCLOSED ON	AGGREGATE TOTAL FOR PRIMARY ELECTION	FORM 10 FILED?	DATE FORM 10 FILED	# DAYS LATE
7/1/03	Q3 2003	\$ 1,000.00	N/A	N/A	N/A
7/31/03	Q3 2003	\$ 1,500.00	N/A	N/A	N/A
9/30/03	Q3 2003	\$ 201,500.00	N/A	N/A	N/A
12/26/03	YE 2003	\$ 326,500.00	N/A	N/A	N/A
3/1/04	Q1 2004	\$ 376,500.00	Y	3/12/04	10
3/12/04	Q1 2004	\$ 401,500.00	Y	3/25/04	12
3/19/04	Q1 2004	\$ 501,500.00	Y	3/20/04	0
3/31/04	Q1 2004	\$ 651,500.00	Y	4/1/04	0
4/30/04	Q2 2004	\$ 801,500.00	Y	5/31/04	30
5/21/04	Q2 2004	\$ 841,500.00	Y	5/22/04	0
5/28/04	Q2 2004	\$ 891,500.00	Y	5/29/04	0
6/4/04	Q2 2004	\$ 941,500.00	Y	6/5/04	0
6/8/04	Q2 2004	\$ 991,500.00	Y	6/14/04	5
6/15/04	Q2 2004	\$ 1,051,500.00	Y	6/17/04	
6/19/04	Q2 2004	\$ 1,101,500.00	Y	6/24/04	4
6/28/04	Q2 2004	\$ 1,191,500.00	N	N/A	Not Filed

Attachment 2